

## Appendix I

# Glossary of Terms

Term	Definition
<b>Accrual Bond</b>	A bond that increases in value as interest is added to the principal. Both principal and interest are paid in a lump sum when the bond is redeemed. Series E/EE, I, retirement plan bonds, and individual retirement bonds are the currently outstanding accrual type securities. Series A through Series D, Series F bonds, and savings notes, all now matured, were also accrual type securities.
<b>Administered Estate</b>	An administered estate is supervised by the court and is one for which a legal representative has been appointed.
<b>Administrator/ Administratrix</b>	A person appointed by a court to administer the estate of a deceased person.
<b>Applicant</b>	Person completing an application. An applicant may be: (a) An individual bond owner (b) Both co-owners (c) Parents or legal guardians of minors (d) Persons entitled to bonds of decedents, trustees, and other fiduciaries (or their successors) (e) Authorized officers of organizations (f) Purchasers
<b>Appreciation Type Security</b>	See Accrual Bond.
<b>Baby Bonds</b>	A name given to the Series A-1935 savings bond but carried over to Series B-1936, C-1937/1938, and D-1939/1941 (April) bonds.
<b>Batch</b>	A group of one to 40 bond order forms submitted to a servicing Federal Reserve Bank by an issuing agent with a covering Batch Transmittal Form.
<b>Beneficiary (POD)</b>	A person whose name appears second on a savings bond under the designation "POD" or "Payable on Death" and who becomes the sole owner of the bond upon the death of the owner.
<b>Beneficiary under a Trust</b>	The party for whose benefit a trust is created or who is entitled to the income from the trust. The beneficiary may also be called a <i>Donee</i> or the <i>Cestui que trust</i> .
<b>Bequest</b>	A gift by will of personal property; a legacy.
<b>Bond</b>	Any of the savings and retirement securities issued by the U.S. Government, including savings bonds, savings notes, retirement plan bonds, and individual retirement bonds.

<b>Term</b>	<b>Definition</b>
<b>Bond of Indemnity</b>	An instrument stating a fixed sum as a penalty, binding the parties to pay that penalty unless one or more of the parties performs a certain act.
<b>Branch Number</b>	Four-digit number added to the ABA number to indicate a specific branch of a financial institution. Main offices are assigned four zeros as their branch numbers.
<b>Certification</b>	Process by which a bank or other financial institution guarantees a signature in the request for payment on a savings bond, a detached request for a savings bond payment, a request for reissue, or other applications relating to savings bonds.
<b>Certified Copy</b>	Copies of original legal documents that contain a raised or impressed seal.
<b>Court of Probate</b>	A court having jurisdiction over the probate of wills, the grant of administration, and the supervision of the management and settlement of the estates of decedents, including the collection of assets, the allowance of claims, and the distribution of the estate. In some jurisdictions, such as New York and New Jersey, these courts are called Surrogate Courts.
<b>CPI-U</b>	Abbreviation for the non-seasonally adjusted U.S. City Average All Items Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics. The index is used to determine the semiannual inflation rate applied to Series I bonds.
<b>Current Income Bond</b>	A bond on which interest is paid semiannually to the owner while the principal invested remains constant at face value. Series H/HH bonds are current-income type securities. Series G and Series K bonds, both now matured, were also current-income type bonds.
<b>Decedent</b>	A deceased person.
<b>Deflation</b>	A negative change over time in a price index (e.g. consumer price index) that measures changes in general price levels. Reflects an overall reduction in the volume of available money and credit, which results in a decline in price levels.
<b>Denomination</b>	The dollar amount shown on the face of the security ("face amount" or "face value") and designated by alpha codes at the beginning of the serial number: X - \$ 10 or \$10,000 Q - \$ 25 L - \$ 50 K - \$ 75 C - \$ 100 R - \$ 200 D - \$ 500 M - \$ 1,000 V - \$ 5,000 W - \$ 100,000

<b>Term</b>	<b>Definition</b>
<b>Denominational Exchange</b>	Exchanging bonds of one denomination (face amount) for bonds of another denomination (face amount) within the same series and issue date.
<b>Executor/ Executrix</b>	The person appointed in a decedent's will to carry out the directions and requests in the will and to dispose of the property according to the testamentary provisions.
<b>Extended Maturity Period</b>	An interest bearing period after the original maturity date during which a savings bond continues to earn interest. It's also sometimes referred to as an extension period.
<b>EZ Clear</b>	Process by which depository financial institutions present paid accrual savings bonds, commercial checks, and other cash items for collection to a Federal Reserve Check Processing Office including a Regional Check Processing Center. The paid accrual savings bonds are then sent to the EZ Clear Central Processing Site. The Pittsburgh Branch, FRB Cleveland, maintains the EZ Clear Central Processing Site.
<b>Face Value</b>	The denomination amount shown on the front of a savings bond.
<b>Fiduciary</b>	A person undertaking the duty to act primarily for another's benefit (e.g., executor, administrator, trustee, guardian).
<b>Fiduciary Capacity</b>	Relates to conducting business or handling property for the benefit of another person.
<b>Final Maturity</b>	The point at which a bond stops earning interest (Original maturity + extension [s] = final maturity). Also known as Final Extended Maturity Date.
<b>Identifier</b>	A person who establishes the identity of the presenter of a bond for payment or reissue.
<b>Incompetent/ Incapacitated Person</b>	An individual who is incapable of handling his or her business affairs because of a legal, mental, or medical disability, except for minors who are incompetent solely because of age.
<b>Individual Retirement Bonds</b>	Nontransferable accrual type securities sold to individuals eligible to participate in an Individual Retirement Account (IRA). The sale of these bonds was terminated April 30, 1982.
<b>Inflation-Indexed Security</b>	A bond that earns interest based in part on the percent change in the CPI-U index.
<b>Inscription</b>	See Registration.
<b>Interest</b>	Compensation at a specified rate which is paid for the use of money.
<b>Interest (Compound)</b>	Interest upon interest, where accrued interest is added to the principal sum, and the whole treated as a new principal, for the calculation of the interest for the next period.

<b>Term</b>	<b>Definition</b>
<b>Interest (Simple)</b>	Compensation which is paid for the use of the principal (sum lent), at a certain rate made by law.
<b>Issue Date</b>	The first day of the month in which the bond is purchased. The issue date is entered in the upper right-hand corner of the bond. It is the basis for determining the interest rate, when the bond is eligible for payment, the amount at which an accrual type bond is redeemed, the interest payment dates on current income bonds, and the date the bond reaches maturity and ceases to earn interest.
<b>Issue Price</b>	The actual amount paid to purchase a savings bond. For example, Series E bonds were purchased for 75% of face value, whereas Series EE bonds are purchased for 50% of face value. Series I bonds are purchased for 100% of face value.
<b>Legal Evidence</b>	Evidence required to process a savings bond transaction, such as death certificates, and letters of appointment.
<b>Legal Representative</b>	A person appointed by a court to act on behalf of the estate of another. This is a generic term encompassing all types of representatives, including executors, administrators, personal representatives, and guardians.
<b>Letters of Administration</b>	A document issued by the proper court appointing someone as an administrator of a decedent's estate.
<b>Letters Testamentary</b>	A document issued by the proper court appointing someone as an executor of a will.
<b>Local Federal Reserve Bank</b>	The Federal Reserve Bank/Branch/RCPC in your zone that services your institution for check processing.
<b>Minor</b>	A person who is under the age of legal competence; a person under the age of majority.
<b>Mutilated</b>	Bonds that are ripped, torn, or otherwise damaged after receipt by the bond owner.
<b>Nonadministered Estate</b>	An estate of a decedent that is not supervised by the court and for which a legal representative has not been appointed.
<b>Nonreceipt</b>	A registered bond reported lost, stolen, or destroyed before the bond owner or purchaser receives it. See Replacement.
<b>Original Maturity</b>	The initial period of time when a savings bond earns interest according to the terms and conditions in effect at the issue date.
<b>Par</b>	See Face Value.

<b>Term</b>	<b>Definition</b>
<b>Person</b>	Any legal entity, including but not limited to, an individual, a partnership, a corporation (public or private), an unincorporated association, or a trust estate.
<b>Personal Representative</b>	In some states, a person appointed to administer the estate of a decedent is called a personal representative instead of an administrator or executor.
<b>Personal Trust Estate</b>	A trust estate established by natural persons in their own right for the benefit of themselves or other natural persons in whole or in part.
<b>Power of Attorney</b>	An instrument where a person (grantor) authorizes another (attorney-in-fact) to act on his or her behalf. The instrument itself is called a power of attorney. The person acting under the power is called an attorney-in-fact.
<b>Presenter</b>	Person requesting payment or reissue of a bond.
<b>Principal Co-owner</b>	The co-owner whose funds were used to purchase the bonds or who received the bonds as a gift, as an inheritance, or through court proceedings and had the bonds reissued to add another person as co-owner without receiving contribution from that other person.
<b>Probate</b>	A judicial act or determination, by a court having competent jurisdiction, establishing the validity of a will. This means that the court is satisfied that the will is authentic and properly admissible in court and that the decedent was competent and under no undue influence when the will was made. The act or process of proving a will.
<b>Regional Check Processing Center (RCPC)</b>	An FRB office whose primary responsibility is check processing.
<b>Registration</b>	The social security number or employer identification number, names, and addresses appearing on the face of a bond. Same as Inscription.
<b>Replacement</b>	Issuance of a new bond when a bond is reported lost, stolen, destroyed, mutilated, or not received.
<b>Retirement Plan Bonds</b>	Nontransferable accrual type securities sold to individuals eligible to participate in the Keogh Act retirement savings program. Treasury terminated the sale of these bonds April 30, 1982.
<b>Revocable Trust</b>	A trust that the grantor may rescind or cancel.
<b>Routing Transit Number</b>	A 9-digit number (also known as ABA number) that identifies banks within the national banking system.

<b>Term</b>	<b>Definition</b>
<b>Savings Bond</b>	An official instrument issued by the U.S. Treasury or an authorized agent showing that money has been loaned to the U.S. Government and is payable to the person to whom it is registered. It is a contract between the Government and the bond owners. Each bond is a registered security for which a record is maintained by the Bureau of the Public Debt.
<b>Savings Note</b>	Nontransferable, accrual type security issued in registered form on a discount basis at 81 percent of face value in denominations of \$25, \$50, \$75, and \$100. Savings Notes, also called Freedom Shares, have not been issued since 1970.
<b>Savings Stamps</b>	Nonregistered securities that were issued to apply toward the purchase price of Series E bonds. Stamps were sold at face amount in denominations of \$.10, \$.25, \$.50, \$1.00, and \$5.00 and do not earn interest. Treasury discontinued the sale of savings stamps June 30, 1970.
<b>Servicing Federal Reserve Bank</b>	One of two Federal Reserve Banks that processes bond transactions. <i>See Appendix G.</i>
<b>Taxable Event</b>	A transaction that requires the reporting of interest deferred or earned from the issue date of the bonds to the date of the reissue transaction.
<b>Trust</b>	Property, real or personal, held by one party for the benefit of another.
<b>Trust Agreement Trust Instrument</b>	<p>The document that specifies in writing the authority, duties, and rights of the parties involved. A trust instrument may be referred to by the following names:</p> <ol style="list-style-type: none"> <li>1. Declaration of Trust (D/T)</li> <li>2. Deed of Trust (D/T)</li> <li>3. Trust Indenture (T/I)</li> <li>4. Agreement of Trust (A/T)</li> <li>5. Trust Under a Will (U/W)</li> </ol> <p>While there are certain technical variations in the meaning of these terms, they may be considered synonymous when used in connection with savings bonds.</p>
<b>Trustee</b>	The party appointed to administer a trust.
<b>Trustor</b>	The party who creates a trust. The trustor may also be called the "Maker," "Donor," "Grantor," or "Settler." All of these terms are synonymous.
<b>Voluntary Guardian</b>	An individual who is recognized as authorized to act for an incapacitated person as provided in the regulations governing U.S. Savings Bonds (Section 315.64 of Department of the Treasury Circular 530 and Section 353.64 of Department of the Treasury Circular, Public Debt Series No. 3-80).